

## **APPENDIX E INSURANCE REQUIREMENTS**

The master property and casualty insurance policy carried by the Cooperative insures the Cooperative building, including the structural elements of each unit, and the garage and common areas, up to the full replacement cost of restoration to their original condition in the event of damage or destruction from most casualty losses. Coverage may be limited or eliminated for certain casualties including earthquake and flood damage and may also be subject to certain offsets or deductibles. The master policy coverage includes additions, alterations and structural repairs which are part of the Building structure, including floors, walls and ceilings of units; plumbing, electrical and HVAC systems installed by the Cooperative to serve the Building; and permanently installed appliances and permanent fixtures installed within the unit if approved pursuant to the House Rules and Appendices.

The Cooperative's master policy does NOT cover area rugs, carpets or other floor coverings or wall coverings that are not permanently installed; kitchen and other appliances that are not permanently installed; art work, furniture, furnishings, personal objects, clothing, books, collections or other items brought into, stored or kept in units or storage areas or closets belonging to a Member. The master policy also does not cover Occupant liabilities to guests, employees of Occupants, contractors for Occupants or other visitors to Occupants in units for personal injury, medical expenses, or other claims of any kind for any loss whether caused by an Occupant or any guest, visitor to, employee of or contractor for an Occupant.

Thus, in order to insure that potential losses are appropriately covered, and to avoid undue risk to all Members, each Member is required to carry and maintain in force an HO-6 Homeowners Insurance Policy (a form designed for owners of cooperative and condominium units) covering items of personal property located in a unit or in storage closets or areas

belonging to a unit, including the items noted in the previous paragraph which are not covered by the Cooperative's master policy. Members are also responsible for carrying appropriate insurance to cover liabilities to their employees, contractors, guests, Sub-lessees and others entering in or visiting their unit. Members are required to maintain a personal umbrella liability policy with limits of not less than \$2 million.

Each Member is responsible for furnishing to the General Manager, at time of initial delivery of the Proprietary Lease and Occupancy Agreement to a Member, and annually thereafter, a certificate or certificates, in form reasonably satisfactory to the Cooperative, evidencing that the Member has in force an HO-6 Homeowners Insurance Policy and an umbrella policy as required by this Appendix. Even though a unit may be occupied temporarily by Occupants other than a Member, as, for example, by an approved Sub-lessee, these insurance requirements remain obligations of the Member who owns a unit, and are also binding on any personal representative, executor, administrator or estate of a Member which owns or holds a unit.